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Combines Investigation Act:
Investigation into the Amalgamated
Builders' Council and Related
Organizations





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Department of Labour, Canada
HON. PETER HEENAN — — MINISTER OF LABOUR

COMBINES INVESTIGATION ACT

INVESTIGATION INTO THE
AMALGAMATED
BUILDERS' COUNCIL
AND RELATED ORGANIZATIONS

AN ALLEGED COMBINE OF PLUMBING AND
HEATING CONTRACTORS AND OTHERS
IN THE PROVINCE OF ONTARIO

Reports of Commissioner
October 31 and December 18, 1929

OTTAWA: F. A. ACLAND, Printer to the King's Most Excellent Majesty, 1930

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OTTAWA, December 20, 1929.

The Honourable PETER HEENAN,
Minister of Labour,
Ottawa.

SIR,—I have the honour to transmit to you the report of Mr. Gordon Waldron, K.C., Commissioner appointed under the Combines Investigation Act to investigate an alleged combine in the plumbing and heating industry.

Mr. Waldron's interim report, dated October 31, 1929, and dealing with certain alleged frauds discovered in the city of London, has already been submitted to you. I would suggest that, when the main report is printed, the interim report should be included as part of the same publication.

Yours faithfully,

F. A. MCGREGOR,
Registrar, Combines Investigation Act.

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REPORT OF COMMISSIONER

TORONTO, ONT., December 18, 1929.

F. A. MCGREGOR, Esq.,
Registrar, Combines Investigation Act,
Department of Labour,
Ottawa, Canada.

DEAR SIR,—I have completed the inquiry ordered by Order of His Excellency the Governor General in Council of July 19, 1929, P.C. No. 1311.

I send you herewith, duly certified, a copy of the evidence given before me at sittings held in Windsor, London, Toronto, Fort William and Port Arthur; and I send also all exhibits and material filed in the course of the investigation.

The evidence taken at Fort William and Port Arthur was taken by counsel, F. W. Griffiths, K.C., authorized by me under the Combines Investigation Act.

I. INTRODUCTION

Pursuant to the Act and to my commission, I give hereunder my report and opinions on the evidence and material before me.

1. DEFINITION OF TERMS

In order to enable a ready understanding of what I shall say, I explain here that I use in accord with the evidence, the word "operators" to signify master plumbers and steamfitters and also to signify the master roofers and sheet metal contractors of Windsor, when these were in 1929 organized as a local of the combine. "Jobbers" signifies the persons and companies distributing plumbing and heating products, and sheet metal products in the case of the roofers and sheet metal contractors. The distribution of merchandise in these trades is not, as usual in commerce, from the manufacturer to the jobber or wholesaler and then to the retail shopkeeper, but it is from the manufacturer to the jobber and then directly from the jobber to the public or from the jobber to the operator and from him to the public. Generally the operator does not carry merchandise but buys from the jobber, when he needs goods in the performance of his contracts with the public.

One of the issues of this controversy is the operator's claim to be recognized as a retailer and to have all sales to the public go through him. In the city of Toronto, for example, there are between four and five hundred master plumbers, of whom only thirty-six carry stocks of merchandise. (Evidence, of Weinraub, p. 6144.)

The word "Guild" I use to signify the combine, contemplated by the promoters, approved at a meeting at Hamilton on June 11, 1927, and thereafter carried on, and I use it as equivalent to the word "combine" to connote the organization under investigation. It is still the Guild or combine after the registration of the Amalgamated Builders' Council, when it becomes convenient to use the name "A.B.C."

"D.C.C." is an abbreviation of Dominion Chamber of Credits, Limited, a share company incorporated in Ontario on September 8, 1927. "A.B.C." is an abbreviation of Amalgamated Builders' Council, an employers' union registered on June 8, 1928, under the Trade Unions Act of 1872, R.S.C., Cap. 202. Another

company was the Canadian Plumbing and Heating Guild, a non-share company incorporated on June 30, 1927. The combine or organization under investigation is not to be identified with the Canadian Plumbing and Heating Guild or the Dominion Chamber of Credits, Limited. No person or company joining the combine, except the four or five applicants for incorporation, became a member or a shareholder of either. The Guild, the A.B.C. when organized, and the combine were identical in membership, and the A.B.C. was merely a contrivance made to afford to the members of the combine, the makers claimed, immunity under the Trade Unions Act.

Another abbreviation used in the evidence is "X.Y.Z." to signify the Toronto Plumbing and Heating Contractors' Union, also an employers' union, registered with the approval of the Honourable the Minister of Labour of Canada on May 20, 1929, to settle a ruinous strike of journeymen plumbers in Toronto promoted by the combine to force Toronto operators or master plumbers into its membership.

So, of companies and associations in and about this combine, there are the Canadian Plumbing and Heating Guild, a non-share company; the Dominion Chamber of Credits, Limited, a share company; and the two employers' unions under the Trade Unions Act, the Amalgamated Builders' Council and the Toronto Plumbing and Heating Contractors' Union.

2. INCEPTION OF THE COMBINE

The first step in the promotion of the combine was an understanding between three Toronto plumbers or operators, Roy E. Belyea, Harry A. Weinraub and George R. Baker on the one hand, and a Toronto lawyer, Louis Michael Singer, on the other, to organize a Guild in the plumbing and heating trade. Singer was to receive, for bringing about a convention of the operators and managing the Guild till the end of 1927, the sum of \$7,500. Belyea, Weinraub and Baker had been conducting successfully a buyers' club of operators to obtain supplies at prices lower than the regular prices of the jobbers. As is usual in such cases, these men had developed strong feelings of antipathy to the jobbers and manufacturers. They seem not to have had in view any profit from the proposed organization, except that which might come to them as operators in the way of greater rewards of their industry by realization of the aims of the organization which they promoted. In the course of the operation of the combine, these three men seem to have received nothing but their travelling expenses. Singer, though a lawyer, made a business of the organization and management of guilds from which he derived a large income. He was approached because during the years 1925 and 1926 he had successfully organized in Toronto the cloak, millinery, cap and fur trades, under what he called the Guild System. That was, in short, a system by which the wholesale, retail and manufacturing members had committed to him the control of their relations with one another. (Evidence, of Singer, pp. 3232, 3262, 3331, 3336 and 3279.) During the period from the organization of the combine, that is, June 11, 1927, to September 30, 1929, Singer received through this combine from the plumbing and heating industry gross \$82,003.71, out of which after the payment of rent, salaries and travelling expenses, he retained for himself a net sum of \$42,696.84. (Accountant's report, in Evidence, pp. 4134 and 5799-5800, also Exhibit 230.) He admits a gross income from all his guilds in three years of \$120,000. (Evidence, p. 7065.)

Belyea, Weinraub, Baker and Singer spent some time during the spring of 1927 rousing the operators and inviting the co-operation of the jobbers and manufacturers. A meeting of operators was convened at Hamilton on June 11, 1927. A streamer stretched aloft in the hall appealed piously to the Golden Rule, and a clergyman, it is said, invoked the divine blessing. The formation of the Guild with Singer as commissioner was approved (Evidence, of Singer, pp. 3244

and 3262), and, so, was formed the combine, and not by the incorporation later of the Canadian Plumbing and Heating Guild or the Dominion Chamber of Credits, Limited, or by the registration of the two employers' unions.

About \$14,000 was received at this meeting, in fees of \$75 each, out of which Singer, astonishing his fellow promoters, took within three or four days his honorarium of \$7,500 without the authority of the assembly or any committee duly authorized. (Evidence, of Baker, p. 6107.)

3. IDEAS AND OBJECTS OF THE COMBINE

At this meeting the ideas of the promoters were disclosed by Belyea and Singer. (Exhibit 176, calling the meeting; Singer's address, Exhibit 177; also Exhibits 180 and 182.) From these documents and from the evidence, they may be shortly stated here.

The plumbing and heating industry was alleged to be in a deplorable condition, and the rewards of the operators inadequate. That was said to result shortly from three causes: (1) lack of co-operation by the operators, (2) destructive or "cut-throat" competition, and (3) refusal of the jobbers and manufacturers to respect the "channels of trade" or "sales policy" urged by the operators. That is to say, the jobbers and manufacturers sold more or less to builders, building contractors, the owners of large buildings and to the public. All sales of plumbing supplies ought, the operators contended, to be made to them and from them the public ought to be obliged to buy. It was alleged that "cut-throat" competition was intensified by operators who were not competent business men, who lacked capital, were incapable of keeping books, estimating wisely or registering liens to protect themselves against loss. Further, it was alleged, as a major grievance, that the jobbers intensified destructive competition by enabling men to rise from the ranks of the journeymen to the status of operators, that is, they extended credit to such men who were sometimes incompetent in business. (Singer's speech and O'Connor's report, Exhibit 177.)

What was to be done to remedy these alleged conditions is to be found by considering the professions of the promoters and the acts afterwards done by the members in Windsor, Fort William, Port Arthur, London, Toronto and other places.

At the earliest stage, Singer instructed Baker, April 11, 1927, (Evidence, p. 6103) that the purposes of the new organization would not be to settle labour disputes, put anybody out of business, prevent new people from going into business or to fix prices. These were equivocal statements and dishonest. Singer maintained in his evidence that, during the course of the combine, notwithstanding the evidence, none of these things was done. Prices, he admitted, were raised but not fixed, because such raised prices were minimum prices; and fixed prices, he said, mean prices which are both maximum and minimum. Moreover, he said, everyone was free to charge what prices he pleased, that is, there was no actual tacit contract, agreement, arrangement, or combination. Nor, he said, was there any limitation of competition, because, where that was said to have taken place, the person who thought that he had been injured was always free to carry on business and to buy his supplies elsewhere than in his own city. Nor was there any boycotting, because what seemed to be boycotting did not, in fact, deprive the jobber of liberty to sell to others than the members of the Guild, which strove to include all the persons to whom the jobber could sell. These assertions were boldly made by Singer in his testimony. (Evidence, pp. 3536-3599 and 3605-3773.) For example:—

"By the Commissioner:

Q. Well, at all events, you say that you did not advise them to fix prices, that is, you did not advise them to resolve upon any fixed prices. We are in a little equivocation at this

point. I understand what you have been saying all along, that is to say, that you did not advise, not only did you not advise, but you advised against?—A. Yes, sir.

Q. Entering into any formal declaration?—A. Or informal.

Q. Formal or informal? Well, you admit this, that you advised them that they might talk of prices, discuss prices and in the end form opinions as to what was a proper price?—A. Yes, sir.

Q. And act on them?—A. Individually." (Evidence, p. 3546.)

4. MEMBERS OF COMBINE NOT MEMBERS OF COMPANIES

Operators, jobbers and manufacturers were entitled to be known as members though not shareholders or interested in the Guild's assets or liabilities. (O'Connor's report, in Evidence, p. 3239.) The slightest breach of the rules and regulations, if deliberate, would be punished by expulsion from the Guild (Evidence of Singer, p. 3245), and Singer said: "I told them that if a man did not abide by the rules and regulations of the A.B.C., he could be expelled and being expelled he could, in the A.B.C. period, get no union labour or material". (Evidence, pp. 3523-3524.)

5. INCORPORATION OF CANADIAN PLUMBING AND HEATING GUILD

The Canadian Plumbing and Heating Guild, a non-share company, was incorporated in Ontario on June 30, 1927. (Exhibit 153.) The object is not clear. It may have been to provide a formal statement of beneficent and lawful purposes or it may have been to carry on the combine as a non-share company. If the latter intention was held, it was at once abandoned because no persons or companies joining the Guild became members of this company. The membership was by the charter limited to fifty. There is no minute or evidence that anyone was made a member of this company, and Singer notified those who joined the Guild that he would not be under their control and that they would have no interest or share in the company's finances or management. There was besides no fixed fee of membership. (Evidence of Singer, pp. 3236-3237 and p. 3612. Note also the variety of fees of membership.) The applicants for incorporation were Belyea, Weinraub, Baker, and two law partners of Singer. The members and officers who remain are Belyea and Weinraub, if Baker's resignation on July 19, 1929, is to be regarded.

6. ORGANIZATION AND OPERATION OF THE COMBINE

The combine was organized in June, 1927. Singer was appointed commissioner by Belyea, the president of the Canadian Plumbing and Heating Guild, without by-law or resolution. (Evidence, p. 3617.) But his authority he derived, not from this non-share company, but from the members of the combine, who assented to his proposals and also appointed him commissioner at the Hamilton meeting on June 11, 1927. As commissioner, Singer was to be in a combine planned to include operators, jobbers and manufacturers, the "arbiter of their industry with full power to control it and to decide all matters of difference now existing or to arise within it." (O'Connor's report, in Evidence, p. 3233.)

"You see the one man would be consulting with operators throughout Ontario to find their opinions and because he would act immediately it would be decisive and because he had already obtained the views of the members of the industry and would not act unless he obtained their view, it would be united." (Evidence, of Singer, p. 3244.)

"My idea is and I believe I have expressed it at that meeting that the proper way to govern a trade or association is not to have it governed by a committee of competitors in the trade, but to have it controlled by an absolute stranger to the industry, whom for the sake of convenience we call a commissioner, who from time to time listens to the complaints of conditions from different members and endeavours to come to some conclusion as to what the conditions are and what they should be and then on his own volition advises them what ought to be done. *It is for them to say individually whether they approve of it or not.*" (Evidence, of Singer, p. 3279.)

The words underlined by me are a studied expression of Singer's scheme advised by W. F. O'Connor to defeat during the Guild period the Combines Investigation Act and the Criminal Code, by avoiding the appearance of express or tacit agreement, arrangement or combination. The members of the combine were not in their meetings to make or record resolutions on critical matters. They were to debate by uttering opinions and the presiding officer might, at the end, declare the unanimous opinion of the meeting and, according to the operator Marshall, of Windsor, all members would be bound thereby. (Evidence, p. 317. See also O'Connor's opinions, Exhibits 48, 183, 205, 292 and 335.) The minutes of the meetings of local branches were revised by Singer, so that any record of concerted action might be deleted.

Committees in London and Windsor appointed to interview the jobbers of those cities and bring them into line did not go in a body, but one by one, each suggesting that he would cease to purchase if the combine's demands were disregarded. (Evidence, p. 2759 *et seq.*; and Evidence, of Noble, p. 2702.)

The local at London, having received notice that five heating manufacturers had withdrawn, records ineptly that "It was deemed very advisable by our members to be cautious of what we said and to patronize the jobbers who were faithful." (London minutes, p. 25, October 31, 1927, Exhibit 140.)

The aim was to reach consensus *ad idem*, which would lack the element of obligation and leave no trace on the record. (Allen's reports, Exhibits 144 and 145; and Evidence, of Singer, pp. 3911-3912 and 3344-3345, also O'Connor's Exhibits, *supra*.)

The power of expulsion from the combine was retained by Singer, and there was expulsion for non-payment of fees, cutting prices, non-disclosure of tenders, lack of financial ability and disobedience to the rules as Singer had announced. (Evidence, p. 3245.)

Another element of the scheme of the combine was the locals or branch organizations set up in Toronto, Windsor, London, Port Arthur and Fort William, and in other cities, where they have since ceased to act. Still another element, and of the highest importance, was the personage known as the zone chairman elected by the operators in a zone. His functions were to promote the interests of the combine in his neighbourhood and to hold communication with Singer without incriminating record. Meetings of zone chairmen were held from time to time, to which the zone chairmen carried complaints and reports of local grievances and from which they carried back to the local members "the opinions" and instruction of the Commissioner. The nature of these opinions may be judged from the reports of Allen (Exhibits 144 and 145), and Singer's statements:

"I have several times made it clear, Mr. Griffiths, that the operators have been advised by me, and I believe they are well advised, not to purchase from any jobber who sells over their head to their customers." (Evidence p. 3911.)

"If they were going to sell to other than jobbers, the only thing we do is upon request to give information to operators that those operators who wish to buy from them are at liberty to do so." (Evidence, p. 3912.)

"No, sir, I was opposed to him selling to the public at all, if he sold to the contractor.

Q. There are only two people he could sell to, the public and the contractor?—A. He had his chance, sir, he could either sell to the public or the contractor.

Q. And so one of the objects of this enterprise was to induce that state of affairs?—A. One of my objects was.

Q. And you disclosed your object?—A. Quite so."

Belyea, in 1927, substituted for Warden King's goods, specified by an architect, the goods of Gurney, because Warden King was not then a member of the D.C.C. (Evidence, pp. 5976-5981.)

There is still another noteworthy element of the structure of this organization put in operation as early as June, 1927. That was the list or the sending out of lists from time to time, of members of the Guild at first, and later

of the D.C.C. and A.B.C., to operators, jobbers and manufacturers, who had joined the combine. A more unfair weapon in the circumstances could hardly be invented. When these lists were received, a jobber finding an operator not on the list would have notice that he might not sell to him, and an operator finding the name of a jobber or manufacturer not on the list would have notice that he was not to buy that jobber's or manufacturer's wares. If either chose to act honourably, exercising his individual freedom assured to him by the equivocal counsels of his commissioner and Mr. O'Connor, he would be faced by his fellows, organized as effectively to punish him, as if they had resolved and agreed in writing and under seal.

7. RESISTANCE OF MANUFACTURERS AND JOBBERS

Singer and his fellow promoters canvassed actively the jobbers and manufacturers during June, July and August, 1927, to join the Guild. There is not any doubt that the jobbers and manufacturers knew the aims of the Guild and its means of oppression and business disturbance. They were obliged on applying for membership to prove their eligibility by signing an acceptance of the sales policy of the operators and so, if they did nothing else, they became parties to the combine. Threats of boycott were made in July, 1927. (See Peterboro letters, Evidence, pp. 3560-3577, Exhibit 212; also list of operators sent out June 30, 1927, and a list of manufacturers sent out July 7, 1927, to the members of the Guild, then being mostly operators.) Other lists were sent out on July 27 and 29 and August 12, 1927. (Exhibit 242 and Evidence, p. 3268.) In all, twelve lists were sent out in 1927 between June 11 and the end of the year, although Singer had undertaken with A. W. Holmested, solicitor representing a large body of manufacturers and jobbers, not to send out lists.

The legality of the combine under the statute law engaged the attention from the first of operators, jobbers and manufacturers. W. F. O'Connor wrote opinions dated June 1, 1927, (Exhibit 183) and August 5, 1927, (Exhibit 205), which will be later referred to, and he made speeches at the Guild assemblies. Mr. Erichsen Brown wrote an adverse opinion dated August 12, 1927, distributed by Anthes and found in the files of nearly all jobbers and manufacturers. The debate passed to the columns of the *Sanitary Engineer* and the *Sanitary Age*, trade journals, (See the sheet "Damn the Guild," Exhibit 239.)

The jobbers and manufacturers were fully informed and they were thoroughly alarmed. Meetings were held. A committee with L. L. Anthes at its head was formed. Mr. Holmested conferred with Singer in an effort to obtain assurance of safety. (Evidence, of Holmested, pp. 4324-4330; of Anthes, p. 4411; of Fred Armstrong and of Martin J. Quinn; and the Anthes file Exhibit 238; the Quinn report, part of Exhibit 239; and Evidence, of Quinn, pp. 4369-4370, 4613, 4655 and 4728.)

At length, the jobbers and manufacturers refused to join the Guild, alleging fear that the operators might involve them in a breach of the Combines Investigation Act and that it was not expedient to join with the operators. They shrank from committing their great interests to the arbitrament of Singer supported by the operators, and they feared greatly that, if some went in and others stayed out, a ruinous price war might be provoked.

8. INCORPORATION OF DOMINION CHAMBER OF CREDITS, LIMITED

Negotiations were renewed and Singer proposed the Dominion Chamber of Credits, Limited, which would be a company chartered to sell credit information. Of this company Singer says:—

"A. Well, you see, that was the policy of the Guild, to improve the financial position of the operators and the financial position of the industry in general. That could have been done in the Guild itself.

Q. Why did you not do it in the Guild?—A. Because the manufacturers and wholesalers could not see it that way.

Q. So you went out and you told them that you had a legal way— —A. No, I did not.

Q. They were balking on Frank Brown's opinion in August.—A. So I said I would create a machine that was quite satisfactory to them. I said 'You won't be obligated to join anything; you don't have to go to a meeting; you won't be an officer, you are merely a subscriber,' and in the same sense, instead of acting the legal way of doing it, as you put it, I got something that would appeal to them personally.

Q. For the purpose of operating the Guild?—A. For the purpose of operating the Guild, the general policy—

Q. Of the Guild?

By the Commissioner:

Q. If I don't interrupt, I should like to ask him how far the manufacturers and jobbers were informed of your purposes and acts.—A. Well, Mr. Waldron, I think the manufacturers and jobbers knew as much as any operators.

Q. They knew as much as any operators?—A. I would think so." (Evidence, pp. 6504-6505.)

As a result of this negotiation, Singer called the jobbers and manufacturers imperatively to a meeting on August 24, 1927, at which he asked the attendance of principals. Nearly forty companies, some of them the greatest in the metal trades, went obediently to the meeting. (See circular calling meeting, part of Exhibit 246; and Singer's report of the meeting, part of Exhibit 246; and Evidence, of Fisher, pp. 7207-7208.) The meeting was polled as to the selling policies of those present and represented, in accordance with the procedure advised by O'Connor, and the suggestion of the D.C.C. was approved by a resolution in these words:—

"That this meeting of manufacturers and jobbers recommend to jobbers and manufacturers of plumbing and heating goods that they become members of the Dominion Chamber of Credits, Limited, without further obligation than their subscription."

All but Long and Quinn joined, if anything, the combine, subscribing \$75 each. A credit information service was to be established. A credit information service no one wanted, and no one, thereafter, made any real pretence of using it. A satisfactory credit service in the trade, known as the Dominion Credit Exchange, already existed. The D.C.C. was a mere shift to enable the jobbers and manufacturers to co-operate with the Guild without putting themselves in the hands of the operators and their "arbiter." The Dominion Chamber of Credits, Limited, a share company, was incorporated on September 8, 1927. The applicants were Singer and three of his office staff, subscribing for five shares of one dollar each. The only change since is that Morris Pullan, Jr., a brother-in-law of Singer, has taken the place of one of the staff.

Of six heating manufacturers—Lord and Burnham Company, Limited; Dominion Radiator and Boiler Company, Limited; Warden King, Limited; Imperial Radiator Company, Limited; Gurney Foundry Company, and the Taylor-Forbes Company, Limited—all but Lord and Burnham withdrew from the D.C.C. on October 27, 1927, alleging now the use of lists to suggest or enable boycotting. The locals were at once notified by Singer of these withdrawals. The local at London entered in its minutes on October 31, 1927, this minute:—

"The letter of Mr. Singer notifying us of the withdrawal of four manufacturers [there were five], Gurney, Dominion, Imperial Radiator and the Taylor Forbes. In discussing this it was deemed very advisable by our members to be cautious of what we said and to patronize the jobbers who were faithful."

(London minutes, p. 25, Exhibit 140. See also Port Arthur and Fort William minute of November 3, 1927, Exhibit 303, reciting receipt of Singer's notice of October 28.) See also Allen's report of zone chairmen's meeting:—

"From time to time lists of names of all members of the Guild and D.C.C. would be issued. If any were missing that would be our notification that they had been struck off." (Exhibit 145.)

See also evidence of Singer:—

“Q. We know, but you tell us.—A. I will. I advise members from time to time—I don’t make much of a point of it—but, if a man—I mean a manufacturer or a wholesaler—should subscribe to the Dominion Chamber of Credits, and is willing to co-operate with us, certainly he ought to be favoured wherever possible. That is as far as I ever went, and in some cases they were, and in some cases they were not.” (Evidence, p. 6507.)

9. WITHDRAWAL OF CERTAIN MANUFACTURERS AND JOBBERS

After January 1, 1928, Singer applied pressure to induce the jobbers and manufacturers to subscribe again for that year to the D.C.C. and to pay fees of \$300 to \$500 each.

The jobbers and manufacturers were roused to a reconsideration of their relation with the Guild, and, in the course of the debate, Singer sent out a warning on March 31, 1928 (Part of Exhibit 333), that he was about to publish a new list. The object of this threat was to drive the jobbers and manufacturers to yield and pay. That they all knew that the publication of such a list would be followed at this stage by a boycott is proved by the evidence of Anthes and Holmsted and by the documents in Anthes’ file (Exhibit 238), and the exchange of telegrams found therein. Anthes, the Committee Chairman, was in Edmonton and hurried home to make peace if possible. Upon deliberation, after his return, the jobbers and manufacturers refused on April 16, 1928, to re-subscribe. Singer, affected by the resistance of the jobbers and manufacturers, appealed vainly to them to subscribe and pay fees, not of \$300 to \$500, but of \$200 each, plus \$50 for every branch business maintained by a subscriber. (Exhibit 281 and said part of Exhibit 333.)

II. THE AMALGAMATED BUILDERS’ COUNCIL

The D.C.C. then disappeared from the story of this combine, and, as a means of more effective “discipline,” the Amalgamated Builders’ Council was devised. Up to this time, “discipline” had been effected in accordance with the opinions of O’Connor of June 1, 1927, and August 5, 1927, which stake out a difficult pathway around Section 498 of the Criminal Code and the Combines Investigation Act. That Act, it was said, was *ultra vires*. But, while it stood, it forbade agreements to fix prices, monopolize or otherwise restrain trade to the detriment of the public. So, agreements were not to be made. But the common law, it was said, permitted men to take counsel and to declare “opinions” in a meeting or conference and these counsels and opinions might be acted on by an individual, if he pleased, as long as he did not act in accordance with a resolution or agreement. The commissioner would say, as the evidence above quoted shows, that he would not buy from a jobber who sold to the public or the employer of an operator, and he would declare equivocally, as in the correspondence with Fisher of the Canadian Brass Company, Limited (Exhibit 332), that no one was counselled to boycott, that boycotting was in fact forbidden, but that the person to whom he wrote ought to see that boycotting was just and reasonable. The zone chairman took home the warning to note with care the lists which they received and to note that if a name disappeared it was to be taken as notification to them that it had been struck off. In that warning there was involved another, to cease to purchase from the offender.

Although the public suffered detriment under this use of counsel and opinions, and the jobbers and manufacturers as well as the operators who kept out of the combine were embarrassed, the efficiency of the discipline of the system wore out or became ineffective. The local jobbers in London and Windsor

could not be compelled to abandon the non-joining operators, who owed them money and would not yield to the solicitations of their creditors to join the Guild. J. T. Wing and Company, Limited, in Windsor, for example, resisted while five or six good customers held out, but yielded when they went in. But especially is it to be noted that, as the Guild raised the prices of plumbing and heating work and materials, non-joining or outlaw operators cut prices and took the business from the members of the Guild. (Evidence of Partridge and Peckham at London.)

The Guild was about to collapse and the A.B.C. was designed avowedly as a means of discipline to save it.

"The Guild had not been doing anything. It is because they could not do it." "It was because they could not do those things; it was not as successful as it ought to be, but it was fairly successful." (Evidence, of Singer, pp. 3595-3596.)

1. WEAPONS OF DISCIPLINE

Discipline was to be effected (1) by enabling the locals to resolve openly to boycott jobbers and manufacturers who ignored the channels of trade or the sales policy of the combine, and (2) by effecting agreements with union labour, by which union labour would bind itself not to work for any but members of the combine. It was planned that, by the use of these weapons of discipline, the jobbers would be forced to obey and the operators facing the loss of material and labour would be destroyed or forced into the Guild. It is difficult to imagine anything in trade warfare as cruel and oppressive, or anything as offensive as this to the conscience of the law.

2. THE TRADE UNIONS ACT

The A.B.C. scheme was based on an interpretation of the Trade Unions Act, R.S.C. Cap. 202, which, it was claimed, justified the contention that registered unions of employers were immune from criminal prosecution in respect of anything done in restraint of trade.

The Amalgamated Builders' Council was registered in the office of the Secretary of State on June 8, 1928, alleging beneficent purposes, to which no objection can be taken. The true purposes of the registration, fraudulently concealed, were to enable the boycotting of jobbers and manufacturers despite the Combines Investigation Act, and the discipline of expelled or non-joining operators, by depriving them of both materials and union labour. The A.B.C. did not take the place of the Guild, but was merely an attachment or device added to make the Guild more efficient in the realization of the objects for which it had been promoted. Singer became in the A.B.C., as in the Guild, commissioner. It was decreed, by Singer, of course, that all members of the Guild or combine were members of the A.B.C. and that to become a member of the A.B.C. one must be a member of the Guild, that is, the membership of the Guild and the A.B.C. became the same. (Exhibit 47, Evidence, p. 509.)

III. THE COMBINE IN FORT WILLIAM AND PORT ARTHUR

Before continuing to report the history of the A.B.C., it is now convenient to expose the nature of the action of the combine from the date of its organization at Hamilton on June 11, 1927, to the date of the registration of the A.B.C. on June 8, 1928, or to the date of first putting the A.B.C. in operation in the city of Windsor in September, 1928. The need of separate consideration of the acts done in the Guild period and in the A.B.C. period is in this, that it is contended by the promoters of the combine that, during the Guild period, there

was not any contract expressed or implied or any arrangement or combination, but only counsels and opinions which individuals might follow, if they pleased; and, so, it is contended, there was not in that period any breach of the Combines Investigation Act.

The objects of the members of the Guild were largely accomplished during the Guild period. In Port Arthur and Fort William, immediately after the visit of Singer and Belyea and the organization there of a local of the Guild in July or August, 1927, the percentage added to material and labour was raised from 5, 10, 15 or 20 per cent to a uniform 20 plus 10 per cent. That is, the Guild price was made up of three elements, material, labour estimated as 20 per cent of material, and 10 per cent of the sum of material and labour so found for profit. (Evidence, p. 6551.)

Marshall, the owner of the only local jobbing house, aided Singer in the promotion of the Guild and refused during the Guild period to sell supplies to non-members Buchan, Silk and Kirkbride, (Evidence, pp. 6614-6621 and 6659) because they were not members of the Guild. These men, in this period, were forced to buy supplies in Toronto and Winnipeg. During the A.B.C. period, the Toronto jobbers—Crane, Empire Brass, Cunningham and Hill and James Morrison Brass—ignored orders and correspondence of these operators. (Evidence, p. 6667.) Cunningham and Hill wrote (Evidence, p. 6641 *et seq.*) that they would not sell to Shaw, because his name did not appear on the list of members of the A.B.C. in his district. They (Cunningham and Hill) were left in the position that they “must choose which side of the fence” they were on. Shaw sent an order with cash and it was refused. (Evidence, pp. 6642-6644.) The local jobber, Marshall, wrote in reply to Singer’s circular letter WH-1:—

“It is our policy save as aforesaid not to quote upon or sell plumbing or heating goods or radiation to builders or other customers of plumbing and heating contractors directly or indirectly by any means or device whatsoever.”

Strictly, like nearly all jobbers and manufacturers, Marshall assented to these words submitted by circular WH-1, in accordance with the counsels of W. F. O’Connor. Individuals pursuing a common interest might, for example, it was said, fix prices, limit competition and injure trade or commerce.

Kirkbride swore (Evidence, p. 6671), that he could not get even 15 per cent on material and labour in Port Arthur and Fort William. He had been too high figuring 10 per cent. He could, like Peckham of London, make a reasonable living at 15 per cent for overhead and profit and there was no necessity for 20 and 10 or 30 per cent. He had been successful.

IV. THE COMBINE IN WINDSOR

1. THE GUILD PERIOD

In Windsor, during the Guild period, Belyea and Baker promoting the Guild suggested “to get together and get a little better prices.” (Evidence, p. 364.) Singer went later and said that the object of the Guild was to get the boys together and see if they could not get a better price for their labour and their plumbing business—better profits. (Evidence, p. 366.) It was proposed to charge \$100 for labour on a five-piece job plus 2 per cent on labour and material for the combine, instead of prior charges of \$50 to \$55 for labour on a five-piece job. It was also proposed to charge \$20 on every fixture. A journeyman would put in a sink in five hours, at an actual labour cost of \$6.25, for which the operator charged \$20 plus 2 per cent. (Evidence, pp. 379-390.) If the prices fixed by the price list adopted on January 5, 1928, were not followed, the offender who was “found out” was “put on the mat,” that is, he was rallied and rebuked by the Guild. (Evidence, p. 390.) If he persisted, he was threatened with

expulsion. The levy for the combine was not to be paid by cheque in order to baffle investigation by the law, which from the first was feared by promoters and members. (Evidence, pp. 394-396.) During the Guild period, Paddon, Windsor zone chairman, told the Windsor members that they were not to buy from the local jobbers, Wing and Crane, if they sold directly to the public. (Evidence, p. 489.) During this period Paddon, Ward and others passed individually and not collectively to the jobbers of Windsor the word that they must not sell to any but members of the Guild, and the members were told that if the jobber Wing sold to the member Marshall, he, Wing, could not sell to the operators of the Guild. (Evidence, pp. 531-532.) The Windsor minutes (Exhibit 87) record on June 15, 1927, a resolution to make a list of persons who purchased directly from jobbers so as to ascertain the builders who bought from jobbers. (Evidence, pp. 1213-1214 and 1217.) Also on March 22, 1928, "and it was *the opinion* of all present that we should not deal with dealers or manufacturers who dealt with the improper channels of trade." (Evidence, pp. 1297-1299.) A jobber, quoting to a customer not an operator, should quote retail prices for the benefit of the operator. (Evidence, p. 1299.) Also on June 22, 1927, it was decided to send lists of members of the local Guild to jobbers. If jobbers sold over the heads of plumbers, they would be boycotted. (Evidence, pp. 1137-1138 and 1240-1241.) The object of the resolution or collective opinion was to bring operators into line and to move the jobbers to urge operators into the Guild. (Evidence, pp. 1290-1291.) The Guild wrote to jobbers (Evidence, p. 203), "I enclose for your information and *guidance* a list of names and places of business of all members of Local 112" (that of Windsor). (See also Evidence, pp. 1180 and 1219, and Exhibit 87.) The jobbers were shutting off non-members of the Guild before the registration of the A.B.C., and the jobbers were given lists as early as February, 1928. The Windsor minutes were submitted to Singer and by him revised and rewritten. (Evidence, p. 1226.) The circular entitled "The Last Word—War Has Been Declared" calling the meeting of June 11, 1927, at Hamilton, asked "How many jobs have been sold direct to the consumer in your city?" (Evidence, pp. 745-746.)

One of the objects of the Guild was to stop a man buying from the jobbers and to compel him to buy through the plumbing trade, i.e., from the operators. (Evidence, p. 747.) The witness, Paddon, zone chairman at Windsor, went into the Hamilton convention to compel the public to buy through him and his associates, the operators, instead of buying directly from the jobbers; and it was his intention "to tack on a profit all the way up." (Evidence, p. 747.) There was strife prior to the Guild between operators and jobbers over "the channels of trade," and jobbers had been driven to "camouflage" sales to builders by making it appear that they sold to an operator. (Evidence, p. 748.) Objection was taken to industrial plants buying goods from jobbers and using "handy men and maintenance men to install them." (Evidence, p. 780.) Travellers also influenced the giving of jobs to operators favourable to their houses. (Evidence, p. 756.) If jobbers did not agree with the operators' "sales policy," the operators would not buy their goods and they would "talk it" (Evidence, p. 781), meaning to agitate a boycott. Singer said that he sent out the questionnaire WH-1 to ascertain the sales policies of the jobber and manufacturer so that the operators could govern themselves accordingly. (Evidence, p. 787.)

Instructive examples of oppression and price-fixing in Windsor in this period are those of Marshall and Hoover. Marshall was a member of the Guild behind in his fees. A local jobbing house, G. G. McKeough, Limited, wrote him on March 31, 1928, refusing to sell him goods. Asking an explanation, he was referred to Paddon, the zone chairman, who complained of the Hartlieb job, for which Marshall had successfully tendered at a price claimed to be lower than the Guild's prices. A grievance committee studied the matter and demanded to see the tender. Marshall, refusing, was ordered to quit the job; and they

were to pay for the water main, a matter of \$10 or \$15. Persisting, Marshall was unable to buy material from the local jobbers, McKeough, Wing or Crane, and he was obliged to buy in the United States the material to complete his contract. He was suspended. Later, he paid the arrears of his fees and from that time could buy from the jobbers. (Exhibit 53 and Evidence, pp. 543-545, also pp. 1156-1158; see also pp. 555-556 as to the compulsion of the jobber, Wing.)

Hoover had been a member of the Guild from its inception. Early in 1928, having suffered losses, he became unable to pay his creditor, the jobber McKeough. He turned over to this creditor all his property, and to his landlord his furniture, and planned to carry on as an operator. He was called before a committee of the Guild and charged with advertising, with planning to do business in the name of a limited liability company, with opening a store on a main street, with ordering an electric sign, with having taken a contract from one Kaplan, and with having credited him with \$75 on six used boilers, with having allowed Pardo Brothers a discount of 10 per cent on a contract price, and with having caused the operators of Windsor a loss in two years of \$200,000. He was then expelled. He had work on hand and sought material from Wing, who refused to sell except at an advance of 25 per cent on operators' prices. To this firm he had paid a debt of \$6,400 during the year before. He then went for material to McKeough, who would not sell at operators' prices even for cash, saying that he could not afford to "buck the local organization." He said that if he sold to Hoover the other boys would not buy from him. And he added that he knew it would be impossible for Hoover to pay his debts unless he carried on in business.

During this period, the Guild, having been weakened by the withdrawal of the jobbers from the D.C.C. in 1928, was unable to try out fully its powers of discipline. There was much friction and resistance and the Guild confined itself generally to asserting its doctrine of the channels of trade, to forcing the operators into the Guild by threats and by the aid of the jobbers, and to badgering and hectoring the members to keep to the prices which had been fixed. In this, the "discipline" of the Guild was weakened in Windsor, London, Port Arthur and Fort William by the fact that when prices were raised non-members and even journeymen underbid profitably and took the work. In Toronto the Guild got into action slowly owing to local resistance.

2. THE A.B.C. PERIOD

To assure effective "discipline" the A.B.C. was registered in June, 1928, and set going first, in Windsor, in September, 1928. The evidence teems with assertions of the true purpose of disciplining jobbers, manufacturers and operators. It was to enable the A.B.C. to do openly and without fear of the law what could not be done under the Guild. Singer sent to the Windsor local a resolution in these words, which was passed on October 8, 1928, and sent at once to the local jobbers:

"A discussion as to trade practices terminated in the unanimous adoption of the following resolution:—

'Resolved that the members of this local ought not to purchase, and after communication of this resolution will not purchase, from any supplier who directly or indirectly sells plumbing, heating or radiation fixtures, goods, materials or systems in or about, or for installation or use in or about the Border Cities to persons, firms or corporations other than members of this local.'

The Secretary-Treasurer was directed to communicate the foregoing resolution to such suppliers as customarily sell within the territory of this local."

With the aid of John H. Hart, the business agent of the local journeymen plumbers' union, and John W. Bruce, General Organizer in Canada of the United Association of Plumbers and Steamfitters of the United States and Canada, an

agreement was negotiated between the local branch of the Guild at Windsor and the Windsor union of journeymen plumbers and steamfitters, Clause 6 of which provides:—

"The members of the Local Section will not employ as plumbers or steamfitters other than members of the local Union, and members of the Local Union will not accept employment from other than members of the Local Section. Provided, however, that if for any sufficient reason, such as the inability of the Local Union to supply skilled plumbers or steamfitters or the non-availability of work from members of the Local Section, the business agent of the Local Union and the Commissioner of Amalgamated Builders' Council shall concur in permitting a variation of this clause in a particular case and for a limited time, the variation so made will be immediately effective, and such variation will continue in effect as made unless and until the Joint Conference Board hereinafter referred to shall, by a majority vote, veto the variation."

That is, in consideration of the payment of an increase of 10 cents an hour to journeymen, the journeymen's union bound itself not to work for any but members of the Guild. Both of these labour officials knew and approved the use to which this labour agreement was to be put.

3. EVIDENCE OF PADDON

The A.B.C. was formed, under the Trade Unions Act, to obtain powers that the Guild could not give. They did not dare to pass under the Guild such a resolution as the boycott resolution of October 8, 1928. The A.B.C. was formed for the purpose of doing such things and of making bargains with the local labour union. The resolution of October 8, 1928, was passed to enforce discipline on the members. If a man tendered too low in the opinion of the A.B.C. he would be recommended for expulsion. If a man is expelled from the A.B.C. "it is up to him to get his supplies where he can." (Evidence of Charles E. Paddon, pp. 710-719.)

The jobber, Wing, resisted the boycott resolution and was for a time on an unfair list. His sales volume dropped during this three months of strife between \$50,000 and \$75,000. Five or six customers who were non-members were forced into the Guild and he then yielded and obeyed. (Evidence, pp. 965-967.)

Prices were raised from the Guild level of 20 per cent plus 2 per cent to 32 plus 33; that is, material cost plus labour fixed at 30 per cent of material, plus 2 per cent of material for the combine; plus 33 per cent of such cost of material and labour as the Guild's percentage for overhead and profit.

Complaint was then made by a member, Simpson, that the builders could not do business. Prices were then lowered to 30-30, that is, material cost, plus labour fixed at 30 per cent of material, plus 30 per cent of the sum of material and labour so fixed for overhead and profit. (Evidence, pp. 725 *et seq.*)

The 32-33 prices raised the Guild price of a five-piece job from \$325 to \$425 or more, and the 30-30 prices raised the earlier price to \$375 and \$390. (Evidence, p. 568.)

"Q. . . . you attempted to fix a common price by reason of your 30-30, a common price to all plumbing contractors in Windsor who belonged to your association?—A. That was part of our educational program." (Evidence, of Paddon, p. 737.)

Singer told them, at the first meeting of the A.B.C., that they were allowed to fix prices and the like under the Trade Unions Act. (Evidence, pp. 740-741.) Paddon said, "Yes, sir," to the following assertion: "He says the Combines Investigation Act, although declared by the Supreme Court of Canada to be *intra vires*, is not of any value. . . ." (Evidence, pp. 740-741.) On March 6, 1929, Singer said at Windsor, in effect, "You fellows can all get together on tenders and you would know what each other was doing and know what the other fellow was doing." (Evidence, of Marshall, p. 1200.) The non-member of the A.B.C. paid 50 per cent more than the A.B.C. member for supplies bought from jobbers. (Evidence, of Marshall, p. 1204, and Exhibit 86.) "If we could," the non-union plumber or the non-union plumbing contractor would have to get

out and let us have the field. (Evidence, of Paddon, pp. 736-737.) The great scheme of the Dominion Chamber of Credits was to get the so-called selling policy of the manufacturer. "We wanted to know whether they intended to carry out the channels of trade, which we considered fair." If they did not agree, it was "only natural" that we would not buy their goods. (Evidence, of Paddon, pp. 780-781.)

4. GRAVEL'S CASE—EVIDENCE OF SABOTAGE

This man, George Gravel, was not a member of the Guild. In October, 1928, he had a plumbing contract with a man named Abe Mechanic, a builder, who had guaranteed Gravel's account at the jobbers. Paddon called Gravel to the Guild headquarters and asked him to join. He was given a week to decide. At the end of the week, he was questioned as to his prices and advised to quit the job. He begged not to be tied up as to material with the jobbers. He was told by Ward, the secretary, that if he did not join, he could not get material. A few days later, McKeough, Wing, Hamlin and Crane denied him material even for cash, and he was obliged, from that time to the date of his evidence, to buy his material in Detroit or from Giles who was also buying in Detroit. Gravel had a job on Goyeau street, in respect of which an officer of the A.B.C. said: "Some fellow ought to go up there and fill his stack full of cement." Shortly afterwards, carrying on with non-union labour because union labour was denied him, he advertised for non-union plumbers. He hired two, who presented themselves, and after a time, becoming suspicious, he challenged these men who fled precipitately, leaving their wages and an overcoat. In the pipes were found Exhibits 75 and 76, a perforated tin disk taken from the closet pipe, and a bundle of nipples, two window weights and several pieces of wood, 2 by 4, taken from the pipes lower down. If this sabotage had not been discovered before the apartment house was finished it would have cost \$5,000 to repair the damage. (Evidence, of Gravel, pp. 810-845.) The authors of this crime have not been discovered. The officer's remark does not suffice to fix the authorship on him or the Guild.

Another case of sabotage is related by Duncan MacGregor. (Evidence, p. 1624 *et seq.*)

5. LONGLEY'S CASE

R. C. Longley was a member of the Guild and of the A.B.C. On October 24, 1928, McKeough refused to sell to him because his name had been left off the list. (Evidence, p. 425.) Again, he was refused and referred to Paddon to be fixed up. Paddon and his committee told him that he must observe the rules as to prices. (Evidence, pp. 430-431.) In May, 1929, McKeough booked an order for goods to be delivered during the next six months to complete contracts made. (Evidence, p. 434.) On June 7, 1929, Singer asked for Longley's resignation and on June 16 expelled him although he was not in arrears for fees. (Evidence, pp. 435-437.) Offering cash, Longley applied to McKeough for part of the goods booked and was refused because his name had been taken off the list. The jobbers, McKeough's manager said, were one hundred per cent with the A.B.C. (Evidence, pp. 438-440.) Later, McKeough again refused saying that he had been asked by Paddon and Ward not to sell to Longley. Wing, Crane and Hamlin also refused. (Evidence, pp. 451-452.) Longley was, then, obliged to buy in Detroit and through Giles, who bought in Detroit. (Evidence, pp. 451-463.) General Steel Wares, Limited, delivered to Longley six range boilers and half an hour later called up asking if he was a member of A.B.C., Ward having called the company by telephone about it. (Evidence, p. 466.)

6. WILSON'S CASE

Wilson was expelled from the A.B.C. and forced to become again a journeyman. His inability was a result of serious illness in his household. (Evidence, pp. 474-476.)

7. BARNES' CASE

Herbert Barnes was a Hamilton operator and not a member of the combine. Having taken a job in Windsor he paid the union wages of \$1.35 an hour, and was asked to join. He refused and the business agent, Hart, at the request of the combine called off his union men. He was installing radiators at \$13.50 each and making money. He was told to charge \$17 plus 30 per cent, equivalent to \$22.10. He was told to see Singer at Toronto. It would be impossible for him to obtain supplies in Windsor if he was not a member of the Guild. If he brought men from Hamilton, the union in that city, Hart said, would call off his men there. Singer asked \$200 from Barnes, and accepted \$150 and \$15 a month. Four months later Singer threatened suspension if \$60 was not paid. (Evidence, pp. 337-356.)

8. BELAIR'S CASE

This spirited and upright man, Adolphus Belair, refused to join the Guild because he deemed it wrong. In October, 1928, he was called by the manager of Wing who said "Have you got much work on?" He added, "I will give you a chance to finish up all the work you have got to do. I will supply you with material till you get through your work, but do not take any more work." (Evidence, p. 1399.) Belair said, "I am not going to let anybody run my business. I am not going to sign it either, for no man." He could not buy material in Windsor, fell sick and passed his business to his son, who "carted" supplies from Detroit on his shoulder (Evidence, p. 1401) until Giles, who bought in Detroit, afforded relief.

Later Belair, recovering, resolved to go into the sheet metal roofing business, which was his trade. Here he discovered the new branch of the Guild, the sheet metal contractors, and again he could not buy because he was not a member of the Guild. When told that he could not buy, the story runs in his own words:

"I says, 'Why?'. He [the jobber] said, 'You know all about it. You do not belong to the Guild.' I says, 'Has the sheet metal workers got a Guild now?' He says, 'Sure they have.' I says, 'So you cannot sell me no material at all, no trouthing or nothing?' 'No, sir.' Of course, I was not very strong then and I went behind my apartment, my shop was on the other side, and I cried... I says to myself, 'Is it possible that a man is in business for fifteen years in Windsor and worth the money I am worth—although I am not a rich man, but I am worth a few thousand dollars I have made myself here...—and is going to be deprived from buying material?'" (Evidence, p. 1407.)

He went to the Mayor and the Crown Attorney but still he could not buy. (Evidence, pp. 1408-1409.) Later, he applied to General Steel Wares, Limited, for eavestroughing and that company would sell for cash at retail prices. "I [Belair] said, 'How much will you charge me for eavestrough?' He said, 'I will charge you \$9.75.' [The wholesale price was \$6.40.] I said, 'That is the retail price, is it not . . . ?' He said, 'It does not cut no figure, that is my price with you.' I says, 'Thank you.''" (Evidence, p. 1412.)

9. DANIELS' CASE

Cornelius Daniels, a member of the Guild, was called by letter, June 22, 1929, of Peck, Secretary of the Guild, to bring estimate sheets on the Steve Farrell job and he was warned that if he ignored this summons the committee might recommend his expulsion. (Evidence, p. 1367, and Exhibit 89.) They com-

plained that his prices were away low, \$1,500 below, and if he didn't get his prices up they would go down with a club and clean him up. He agreed to raise his bid \$1,200 and something, because if he didn't he would be cut out of his materials. As a result Daniels lost the job and the contract went to one of the members of the committee investigating him.

10. PAPER BOX FACTORY JOB

Three Guild members submitted tenders of more than \$18,000 each for the plumbing and heating contract on a paper box factory in Windsor. The L'Heureux Plumbing & Heating Company secured the contract by a tender of \$6,600, and made money. (See Moore's letter, Exhibit 334, and Evidence, p. 1503.)

J. R. Sculland, an architect, made inquiries and found that building prices in Windsor were 30 per cent higher than average Eastern cities like Hamilton and Kitchener. Toronto was lower than Windsor. (Evidence, pp. 1494-1502.) Financial agents were tardy about lending because of high costs (Evidence, p. 1500), and the increase was reflected in rentals. The witness could not see how a young man could marry and build a house or home under present conditions. (Evidence, p. 1501).

11. GREENAN'S CASE

C. E. Greenan resisted the Guild and was, at length, obliged to yield. The largest operator in Windsor, he employed as many as twenty-five to sixty out of one hundred journeymen in the city. He joined in October, 1928, to be assured of union labour. He was told by the Guild and John H. Hart that, if he did not join, his labour would be taken away on Monday. (Evidence, pp. 1529 and 1550; as to prices see p. 1535 *et seq.*) Prices on a blackboard. Greenan voted with others against the boycott resolution of October 8, 1928, (Evidence, p. 1540) and Singer afterwards deleted the minute of this fact from the minutes. He was written to to submit tender and figures on an investment company job. His price was based on 10 per cent for overhead and 10 per cent for profit. Every tenderer was to bring in his figures to see if the successful tenderer had tendered high enough. (Evidence, pp. 1554-1555.) "I will take all the contracts I can get on a 10-10 basis." (Evidence, of Greenan, p. 1560.) On June 18, 1929, Singer wrote Greenan that he was informed that Greenan was unwilling to observe the constitution of the A. B. C. or to be bound by its rules, and that he proposed to carry on business in his own way without interference, and that, if it was not Greenan's intention to be loyal, he could resign. (Evidence, pp. 1663 and 1667-1668.)

12. GILES' CASE

George B. Giles is a jobber who set up in Windsor in March, 1929. He received a copy of the boycott resolution and found that many operators were unfriendly to the Guild or had been driven out. To these he sold, obtaining his merchandise from Detroit because he was unable to buy any in Canada. (Evidence, pp. 1875-1876.) The Imperial Radiator Company and the Gurney Foundry Company refused to sell to Giles because of his position as an independent in Windsor, as did also the Port Hope Sanitary Manufacturing Company, the Standard Sanitary Manufacturing Company (Evidence, p. 1879), J. T. Wing and Company, Crane Limited, Augustine Foundry, Limited, and the Empire Brass Manufacturing Company. Giles bought 90 per cent of his goods in the United States, paying in import duties \$3,000 to \$4,000 a month. (Evidence, p. 1885.) He was able to buy in Canada practically nothing but range boilers. (Evidence, p. 1886.)

13. PLANTE'S CASE

In January, 1929, Edward Plante was urged to join the Guild by Stuart, the manager of J. T. Wing and Company, Limited, who said the boys [meaning the Guild] were forcing him to tell Plante to join. Paddon and Ward said he must join or go out of business. (Evidence, p. 1583.)

14. BAND'S CASE

In July or August, 1928, J. P. Band was called before the committee of the Guild and censured for underbidding Burford. Paddon said, "You will have to join or we will get you." Band, not being a member, was obliged to withdraw from a contract of an apartment house because he would be unable, owing to the A.B.C., to procure labour or materials and the contract went to Burford at an advance of \$1,700. (Evidence, pp. 1855-1856.) Band joined the A.B.C. in March, 1929, to avoid going out of business. (Evidence, p. 1857.)

15. PURSER'S CASE

G. F. Purser was a non-member unable to purchase materials. (Evidence, pp. 1865-1868.) Fletcher, a member of the Guild, said to Purser, "If you don't stop buying from Hamlin, all the boys will boycott him." (Evidence, p. 1868.) Purser could not get union labour. (Evidence, pp. 1869-1871.)

16. OTHER INCIDENTS IN WINDSOR

It is needless to cite further examples of the application of the boycott resolution and the labour agreements.

Singer knew of price-fixing. (Exhibit 105, letter May 3, 1929.)

Singer revised minutes of the Windsor local. (Letter, Singer to Ward, Exhibit 228; see also letter, Paddon to Singer, November 17, 1928, Exhibit 228; see also Evidence, p. 57.)

Windsor jobber co-operated with the Guild. (Letter, October 18, 1928, Paddon to Singer, Exhibit 228.) Bruce assisted. (Letter, October 20, 1928, Paddon to Singer, Exhibit 228.) Singer changed minutes. (Letter, Singer to Paddon, October 26, 1928.)

17. ST. MARY'S ACADEMY JOB

The agent of the C. A. Dunham Company was persuaded not to sell to the heating contractor on this job. (Exhibit 228.)

18. BOYCOTT OF ANTHERS

"We have started a strike on Anthes soil pipe in this way, that our boys are asking for other pipe and insisting that it be supplied. We have not given any reason for it." (Letter, Paddon to Singer, December 19, 1928, Exhibit 228.)

19. PRICE-FIXING

"Unfortunately, however, when the price is fixed without the protection of the Trade Unions Act, it may be urged that it has been unduly enhanced and each case must be treated on its own merits, by reason of which merchants hesitate to rush in where angels fear to tread." (Letter, Singer to Paddon, January 4, 1929, Exhibit 228, Evidence, p. 3966.)

20. SHEET METAL CONTRACTORS IN WINDSOR

A sheet metal contractors' local section of the A.B.C. was organized at Windsor by Singer about March, 1929. Fees were fixed at \$100 a year, payable half-yearly. A boycott resolution was passed on June 14, 1929, and sent to jobbers, with a list of members. (Evidence, p. 1754.) An agreement with the journeymen's union was prepared by Singer in the same terms as the plumbers' agreement made and sent to the supreme officer in Washington for approval. (Evidence, p. 1795.) This branch of the A.B.C. was under way when investigation began in Windsor. \$800 was paid, in fees of \$50 each, for sixteen members. (Evidence, p. 1739.) Singer drew the labour agreement and boycott resolution. (Evidence, p. 1748.) Singer said that it was legal. (Evidence, p. 1752.) The boycott resolution was sent to the following jobbers: General Steel Wares, Standard Roofers' Supply Company, C. A. Burgess, Wing, Hamlin and McKeough. (Evidence, p. 1755.) There were twenty-five to thirty-six sheet metal operators, of whom sixteen were members of the A.B.C. on July 10, 1929. "In fairness to the trade," they did not want sheet metal material sold to any but contractors, according to J. R. Lynn, the secretary of the sheet metal contractors local of the A.B.C.; "We have to have our bread and butter." (Evidence, p. 1757.)

Price-fixing began at once. Most members agreed to abide by the fixed prices. They did not trouble the jobbers because the investigation began. (Evidence, of Murphy, p. 1681, *et seq.*, and p. 1842, and especially, Evidence, of Hyatt, p. 1890, *et seq.*, and also the story of H. Littlely, p. 1825, *et seq.*)

21. ELECTRICAL CONTRACTORS IN WINDSOR

The formation of an electrical contractors' section of the A.B.C. under Singer was in process when the investigation began. (Evidence, pp. 1927-1928.)

Bolton, formerly a non-union worker paying a dollar a day to the electrical workers' union to be allowed to work as a non-union man while not permitted to enter the union, tells of two grave instances of sabotage. (Evidence, pp. 1921 to 1925.) Wires were cut and pipe plugged. (See also Evidence, p. 1947.) J. A. Martin (Evidence, p. 1945) had thirty-five to forty houses and nineteen apartments cut. He was forced out of business and suffered several thousand dollars' damage. This man paid the union a dollar a day for 150 days for permission to work and then could not get a union card. (Evidence, p. 1952.)

V. THE COMBINE IN LONDON

1. THE GUILD PERIOD

The Guild in London in June, 1927, or about that time, fixed prices at 20 per cent of material and labour for profit and overhead, charging labour at \$1.25 an hour although labour was receiving only 85 cents an hour. Later, the percentage was raised to 25 per cent plus 2 per cent for the Guild. But W. O. Ellwood, Secretary of the London A.B.C. (Evidence, pp. 1968 to 1975), protests that prices were not fixed but only an opinion as to prices was expressed. Before this price-fixing, operators' prices on a five-piece job, including material, were \$250 to \$300. The Guild's prices for a five-piece job became \$390 to \$450. "It would not be legal to move and second. It was said that it would not be legal to fix prices. That was got over simply by expressing an opinion." (Evidence, of Ellwood, p. 2059.) Minutes were sent to Singer to be allowed or disallowed. (Evidence, p. 2060.) See Singer's letter: (Exhibits 115 and 116, Evidence, p. 2063) " . . . it would be better in future if minutes were promptly reported to me . . . " "Singer told us that the Minister might investigate under the Inquiries Act but not under the Combines Investigation Act." J. R.

Haslett, member of the London Guild, stated that the intention back of the formation of the Guild was that the Guild members would be the only persons to whom the jobbers would sell. (Evidence, p. 2173.) Also, " . . . any man was entitled to hold an opinion and every member to rise in the room and say 'I am of opinion that such and such a thing exists or should exist,' and it was all right then for the chairman or the presiding officer to ask, 'How many in the room are of the same opinion?' so that there was no need of any motion." (Evidence, pp. 2176-2177.) Singer's notion was that "if there were seven or eight men in the room and one man was of the opinion that a thing was worth a certain price and the others were of the same opinion, they would have a natural tendency to adopt that particular attitude." (Evidence, p. 2178.) This O'Connor had counselled on June 1, 1927. Committees were appointed in the Guild period to interview the jobbers and the jobbers say that the request was to stop selling to the public. The Guild made efforts to check sales by jobbers to factories and the like where handy men installed supplies. It strove to prevent men who had other positions from doing plumbing work at night. Mayne, a jobber in a small way, could not buy in Canada and so bought in the United States as much as \$15,000 of plumbing supplies. (Evidence, pp. 3179 *et seq.*) The London Local demanded and received from a manufacturer's agent in Toronto, Flanagan, commissions on sales in London to the public and paid the money, \$141.60, into the Local's treasury. (Exhibit 169, Evidence, pp. 3102-3104.)

2. WELCH'S CASE

Thomas Welch joined the Guild, paying \$100 and 2 per cent of his business, equivalent to \$240 a year, or \$340 in all. He was asked to resign (Evidence, p. 3155) because he disputed the Guild's action. The aim was to get the supply houses (jobbers) in line with them to prevent non-members getting materials. (Evidence, p. 3155.) The committees were to persuade jobbers not to sell to non-members. Welch figured on the Super-Silk job against three members of the Guild and got the job and will make money at \$6,075. The other tenderers were Bennett & Wright, \$8,898; Noble & Rich, \$11,380; Partridge, \$10,971. (Evidence, p. 3160.) In estimating, Welch's price is 15 or 20 per cent on material, and, when he is slack, 12½ per cent, \$14 on radiators, on plumbing \$14 a fixture. The Guild's prices were \$18 a radiator and \$12 for material of pipe and fittings, 5 per cent for pipe covering. This man has been in business for six years, owns his own house and is quite content. On all repair and small jobs the Guild charged or added 33 per cent to material. If a member cut below they brought him on the carpet. The average jump in prices made by the Guild in 1927 was \$60 or \$70 on the ordinary new house job. Welch cleared last year \$63 a week average through the year.

3. RAWN'S CASE

On the Campbell job, Albert Rawn, a non-member of the Guild, had arranged for material from the Empire Brass Company at wholesale prices, and when roughing in was done the company added 20 per cent to wholesale prices, though Rawn paid cash. Rawn had tendered at cost of material plus 10 per cent. To enable him to compete, Campbell got the material from the hardware house. Rawn took two other jobs and the same thing happened. (Evidence, p. 3134.)

4. PECKHAM'S CASE

Clarence E. Peckham made application to join the Guild and was refused because he did other work than plumbing. The wholesale houses would not sell to him. (Evidence, p. 3140.) The Empire Brass Company refused because he was not a member of the Guild. They said that he was not on the list.

The Guild wrote to Singer about Peckham. (Evidence, p. 3141.) Crane refused but finally sold to him. Mitchell sold to Peckham but said that he wished that Peckham would not go there to buy. (Evidence, p. 3142.) Mitchell said that they were holding another meeting of the Guild and he would let Peckham know. Peckham then went to Mayne and has been buying United States goods from him ever since. (Evidence, p. 3144.) Peckham raised \$25,000 from Buchanan to buy in the United States, but at length Mayne bought for him. Peckham's actual overhead runs about eight cents on the dollar. He drew last year \$30 a week and made another \$1,300 or \$1,400, or, roundly, \$3,000 a year. An overhead of 20 per cent would be too high. (Evidence, pp. 3149-3151.) On a three-piece job the cost of material is \$160 and he would charge \$160 plus \$25, *i.e.*, 15 per cent. (Evidence, p. 3150.) Mitchell, the jobber, said, "Now, you understand, it is the Guild. You are only one customer. If you continue to buy here, the other men will turn me down."

5. THE A.B.C. PERIOD.

There was scarcely any difference in London between the actions of the Guild in the Guild and the A.B.C. periods. Energy of discipline was delayed in the A.B.C. period because London was not a strong union city and the operators themselves were loth to make the labour agreement providing that the union men would not work for any but members of the Guild. This agreement was, however, negotiated (Exhibit 166) and sent to labour headquarters in the United States for approval. Its execution was withheld pending the outcome of the enforcement of the labour agreement in Toronto on May 1, 1929.

The London Guild, like that of Windsor, kept in constant touch with Singer by correspondence, by conversation and by zone chairmen. The story is told in the reports of Allen, Partridge, Haslett and Bull. (Exhibits 138, 144, 145, 148, 151, 152.) It is noteworthy that London complained of want of energy and asked Singer to press the button. For that, the jobbers, who professed to be 100 per cent in favour, waited. And it is also noteworthy that Milne, for a time a member, had made public the Guild's prices. As a result, the outlaws underbid and took the work, and new operators rose from the ranks of the journeymen to take advantage of the Guild's action. (Letter, zone chairman to Belyea, October 12, 1927, Exhibit 216; see also London minutes, Exhibits 116, 140, 164 and 173.)

The reports of Allen and the others reveal clearly that at the meetings of zone chairmen Singer proposed to use his knowledge of the participation of manufacturers and jobbers in price and resale price-fixing combines to compel them to join his, and in the investigation he forced these matters on my attention in self-justification. (Evidence p. 3896.)

These reports show also that Singer counselled price-fixing and the boycotting of jobbers who did not belong to the Guild and the suppression of the practice of jobbers of "wet nursing" small operators. "It was decided" that the profits of buying in large quantities which come to large firms should "go into their own pockets and not to the customer." No man, Singer said, was to be allowed to start in business unless the financial statement he sent in was satisfactory, and after October 1, 1927, they must buy their goods from the D.C.C. members and if possible split the business among the jobbing houses in the district to which they belonged.

Having already reported to you on October 31 as to the frauds of London operators practised on the Corporation of the City of London, John Labatt, Limited, Dr. Septimus Thompson and the Empire Brass Manufacturing Company, Limited, and confessed by the perpetrators, I do not discuss these matters here.

VI. THE COMBINE IN TORONTO

A local branch of the Guild was set up in Toronto, but progress during the Guild period was slow because of the opposition of the larger operators and because of the difficulty of moving four to five hundred small operators. The history of the Guild period is a history of pressure on the jobbers doing provincial business and on the manufacturers, most of whom were to be found in Toronto, to observe the Guild's sales policy or its doctrine of the channels of trade. Those exerting pressure were Singer, Belyea, Weinraub, Baker and officers of the local branch, such as Clifton. They succeeded in raising the spectre of the boycott and in enforcing widely, during the Guild period, the Guild's sales policy, at all events, in respect of purchases for repair of dwellings, shops, apartment houses and office buildings. But the sales policy was not strictly respected in contract work and new installations. Jobbers, generally, though professing to Singer acceptance of the sales policy and even signing acceptance as a proof of eligibility, sold goods where they could, surreptitiously, and when detected, explained their fault plausibly, if not honestly. Spies tattled news of the jobbers' business to Singer, who called the jobbers to account with a startling show of authority. They were all afraid. Singer wrote to the James Robertson Company, Limited, on July 12, 1927:—

"I am writing you this letter following my telephone conversation with your Mr. Harwood, who tells me that a number of members of the Guild refuse to purchase goods from you by reason of the fact that you were selling to a non-member of the Guild. I am sorry." (Evidence, p. 5196.)

Singer's confession of sorrow was undoubtedly ironical. H. S. Harwood, manager of the James Robertson Company, said: "To be perfectly honest, I think practically every wholesaler was more or less afraid." (Evidence, p. 5199.) As to the oppression or discipline of the jobbers, it is idle to repeat examples, which may be found in the evidence and files of nearly every jobber. But it is clear that discipline of the Toronto operators was scarcely attempted in the Guild period. It was not practicable. The Toronto members of the Guild did not, at any time, include a third of the four to five hundred operators. Price-fixing was, therefore, impracticable because it would have thrown business into the hands of the non-members of the Guild. So there was in this period nothing in respect of which the Guild operators might be disciplined. ". . . but what upset the whole thing was that there were only a small number of operators in Toronto in the Guild. . . ." (Evidence, of Clifton, p. 6175.)

A larger activity of oppression was attempted in Toronto on the registration of the A.B.C. and the making in September, 1928, of an agreement with the local journeymen's union, No. 46, to become effective May 1, 1929, by which the latter professed to bind its members not to work for any but members of the A.B.C. or Guild. An example of what then happened is that of the Wood Fleming Company, Limited. Wood Fleming is a company engaged in the business of renting, managing and repairing office buildings and has in its charge many of the largest office buildings in Toronto. It maintained a force of artisans and among them a licensed plumber, whom the union called off. When he refused he was fined by the union \$50 a week for disobedience and that charge is now accumulating. By the use of their influence Wood Fleming or their subsidiary company were licensed by the city as master plumbers and sought in vain membership in the Guild or A.B.C. That they were able to buy goods proves that the jobbers were not true to their professions of acceptance of the Guild's sales policy. (Evidence, of Cloke, pp. 6340-6354.)

A daring assault was made on Yolles and Rotenberg, Limited. These men are builders in a large way who have built several of the large office buildings of Toronto on Bay street and in its neighbourhood. To achieve economy in construction, they let plumbing and heating work to a plumber in their employ

named Price, at cost plus 15 per cent. The A.B.C. then obliged the jobbers, including the C. A. Dunham Company, to refuse to sell supplies, and Yolles and Rotenberg, whose union labour had been called off by Local Union 46, were forced to buy in the United States as much as a hundred thousand dollars' worth of plumbing and heating supplies, which but for the A.B.C. would have been bought in Canada. The amount of these purchases was not definitely established. A part of the sum might have been purchased here, but Price deemed it wise, owing to the vacillation and timidity of the jobbers, to buy in the United States and Europe so that he might have his construction completed on time. On the Tip Top Tailors building tenders for plumbing and heating were over \$163,000 in every case. Doing the work for cost plus 15 per cent, Yolles and Rotenberg will save at least \$40,000. (Evidence, pp. 5581-5586; see all evidence of Price, Vols. 9 and 12.)

VII. TORONTO PLUMBING AND HEATING CONTRACTORS' UNION

It remains to speak of the second employers' union, that is, the Toronto Plumbing and Heating Contractors' Union, otherwise the "X.Y.Z." Early in 1926 an association of Toronto operators, dominated by the largest employers of labour, sometimes spoken of as the Big Five, made an agreement as to employment for three years, terminating on April 30, 1929. In the mid-summer of 1928, the A.B.C., then having a membership of a hundred at most (Evidence, of Singer, p. 6232), out of four to five hundred, and employing not more than a third of the Toronto journeymen, began negotiations with the labour union for a new agreement. The large operators refused to co-operate because the time was not opportune and they were not disposed to suffer Singer to negotiate or control their relations with labour. The workmen, influenced by their international leader, John W. Bruce, were favourable to dealing with Singer. The Big Five withdrew and the A.B.C., shabbily, it must be said, effected an agreement, with the furtive design of forcing all the employers of labour into the A.B.C. and so of enabling the A.B.C. to effect a long desired discipline of the jobbers and manufacturers. On May 1, 1929, the A.B.C. notified the labour union of the membership of the A.B.C., and the labour union called off the workmen of those who were not on the list. A crisis of great public interest was at once created. The construction of many great buildings was halted. The Honourable the Minister of Labour intervened to effect a settlement. The non-members would not enter the A.B.C. and in the end a compromise was made with the approval of the Minister to the effect that the Toronto Plumbing and Heating Contractors' Union, a union of employers, should be registered under the Trade Unions' Act, with the definite and limited purpose of carrying out a labour agreement. This union was registered on May 20, 1929. The operators who had resisted Singer or the A.B.C. paid their fees to him, and his total receipts from this Union amounted to nearly \$12,000. Singer, putting in the offices a majority of A.B.C. partizans, proceeded to administer the X.Y.Z. in the same manner as the A.B.C., and he converted to the A.B.C. and then to himself, unjustifiably, the funds of X.Y.Z. (Evidence, of Kelly, pp. 8412-8468.)

The labour agreement was re-executed, with X.Y.Z., instead of A.B.C., a party. A constitution of X.Y.Z. was set out in the registration and includes Article 2, giving the Board power to expel members for any reason. The evidence is clear that the Executive Board of the Toronto Plumbing and Heating Contractors' Union refused membership to Cloke and Glass and expelled several members for non-payment of fees. It is, therefore, clear that, if this registration is valid, the operators of Toronto who would employ union labour may lose that

privilege at any time before May 1, 1930, for any reason which the Board of X.Y.Z. deems sufficient. (Kelly's evidence.) If the registration is valid, it is conceivable that this power of expulsion may be used to limit the number of operators and to limit competition.

VIII. FINDINGS

I find, on the evidence, and report that there was, during the Guild period, that is, from June 11, 1927, to the date of the commencement of the operation of the Amalgamated Builders' Council, a combine detrimental to the public in contravention of the Combines Investigation Act and of Section 498 of the Criminal Code. I have considered carefully and reject the contention of Louis M. Singer and other persons appearing before me, that there was not, in the Guild period, a combine because what was done was done, not by the members of the Guild acting collectively or pursuant to resolution or agreement, but by individual members each deciding his own course, after hearing the opinions of the Guild commissioner or "arbiter" and after exchanging opinions with other members of the Guild. The evidence does not support this contention. There was agreement at Hamilton to remedy the alleged conditions of the plumbing and heating trade, and there was agreement as to the methods or means of remedy. These were to raise the prices of materials and work to be paid by the public, to limit competition among operators in and out of the Guild, and to compel the jobbers and manufacturers, members and non-members, to respect the so-called sales policy or doctrine of the channels of trade. Moreover, there was agreement to do these things cautiously and deceptively, so that it might appear to the law that the action of the Guild, in fact collective, was individual and, therefore, innocent in the view of the common and statute law. The evidence shows that in the zeal of operation this precaution was disregarded in every branch or local of the Guild at all times, that is, throughout the periods of the Guild and A.B.C. The evidence shows also that this procedure of deception was deliberately planned and advised by O'Connor. That the Guild was detrimental to the public, is, on consideration of all the circumstances, clear. A paramount consideration is that of the right of the people in a country of long and severe winters to acquire and maintain comfortable houses at reasonable cost.

I find and report that there was, during the A.B.C. period, a combine detrimental to the public in contravention of the Combines Investigation Act and Section 498 of the Criminal Code. The Guild was maintained and operated through this period and its character and membership were not altered by the registration and operation of the A.B.C. The changes made after the registration of the A.B.C. were (1) the abandonment of the pretence of individual action, and (2) the making of agreements with the labour unions of Windsor and Toronto by which these professed to contract that their members would not work for any but members of the A.B.C., that is, members of the Guild. I reject the contention made before me in the course of the investigation that registration of the Amalgamated Builders' Council as an employers' union under the Trade Unions' Act of 1872 rendered the members immune from criminal responsibility for all that was done because all that was done was in restraint of trade. It is impossible to conclude, in the absence of compelling language in the Act, that Parliament, which has subsequently enacted the Combines Investigation Act, and Section 498 of the Criminal Code, intended by the Trade Unions Act to warrant employers' or employees' unions to do, with impunity, anything which might be injurious to the trade of non-members or to the people in general or any section of them. The Canadian Trade Unions Act of 1872 is a copy (less words

expressly authorizing masters' unions) of the English Act of 1871, enacted to relieve labour unions of the operation of the common law rule that the agreements of labour unions are illegal and unenforceable because they are in restraint of trade. In the debates of those days, restraint of trade meant restraint of the trade of the persons becoming parties to the labour union agreement, or, in other words, restraint of the activities of such persons in carrying on their own callings, trades or businesses. Restraint of trade, the law books say, may be by custom (in England), by statute or by agreement. Nothing is to be found warranting the statement that the words "restraint of trade" in this Act connote also all acts injurious to the trade of non-members. Registration of this employers' union enabled its members, at most, in case of a criminal prosecution, to say that they were not members of an illegal association and were not to be deemed guilty of conspiracy merely because they were members.

Moreover, if it were conceded that members of the combine are immune by reason of the Trade Unions Act, what is to be said of the contracts with labour unions, which are, under the common law, unlawful associations, incapable of making agreements which the law will enforce?

I find and report that these agreements are in contravention of the Combines Investigation Act and Section 498 of the Criminal Code.

I find that all persons and companies who joined the Guild, the D.C.C., the A.B.C., as well as the officers of 1929 operating the Toronto Plumbing and Heating Contractors' Union, were parties or privies to, or knowingly assisted in the formation or operation of a combine within the meaning of the Combines Investigation Act.

So I find and report the following persons parties or privies to or knowingly assisting in the formation or operation of a combine within the meaning of the said Act, who have been given an opportunity to make representation on their own behalf in accordance with Section 13 of the Inquiries Act:

TORONTO

Louis M. Singer.. . . .	} Officers of the Canadian Plumbing and Heating Guild, the Amalgamated Builders' Council and Local Section No. 111 thereof, and of the Toronto Plumbing and Heating Contractors' Union.
Roy E. Belyea.. . . .	
Harry A. Weinraub.. . . .	
George R. Baker.. . . .	
John H. Antliffe.. . . .	
Charles H. Chapman.. . . .	
W. Francis Clifton.. . . .	
H. A. Farthing.. . . .	
Alfred H. Field.. . . .	
Harold J. Hillier.. . . .	
Charles H. Johnston.. . . .	
T. Francis Kelly.. . . .	
William Paterson.. . . .	
James Penn.. . . .	
Walter Stobbs.. . . .	

and

W. F. O'Connor.. . . .	} Employees
Garrett Frankland.. . . .	
W. F. Winfield.. . . .	

parties or privies to or knowingly assisting in the formation or operation of a combine within the meaning of the said Act; and

John W. Bruce, assisting in the promoting of labour agreements referred to;
and

Anthes Foundry, Limited... ..
Campbell Gibson Co., Ltd... ..
Canadian John Wood Mfg. Co.,
Ltd... ..
Canadian Rogers Sheet Metal &
Roofing, Ltd... ..
Crane, Ltd... ..
George A. Vowell... ..
W. H. Cunningham & Hill, Ltd..
C. A. Dunham Co., Ltd... ..
Empire Brass Mfg. Co., Ltd... ..
The Gurney Foundry Co., Ltd...
Edward Holt Gurney... ..
William R. Gibson... ..
Lord & Burnham Co., Ltd... ..
Miles Macdonell... ..
T. McAuity & Sons, Ltd... ..
McKellar & Blackhall... ..
Monarch Brass Mfg. Co., Ltd. ...
The James Morrison Brass Mfg.
Co., Ltd... ..
Northern Plumbing Supply Co.,
Ltd... ..
Page-Hersey Tubes, Ltd... ..
Pease Foundry Co., Ltd... ..
W. A. Porter & Co... ..
Port Hope Sanitary Mfg. Co., Ltd.
Fred Armstrong... ..
Robert T. Purves & Co... ..
Renown Plumbing Supplies, Ltd..
The James Robertson Co., Ltd. ...
H. S. Harwood... ..
John Slater (Canada), Ltd. ...
Fred Somerville & Co... ..
Standard Sanitary Mfg. Co., Ltd.
The Steel Co. of Canada, Ltd. ...
Taylor-Forbes Co., Ltd... ..
John M. Taylor... ..
Wolverine, Limited... ..

Manufacturers and Jobbers.

LONDON

William T. Allen... ..
William Anderson... ..
Bennett & Wright, Ltd... ..
Robert D. Paton... ..
George C. Clapperton... ..
Clyde Clapperton... ..
James H. Bull... ..
Daniel J. Buller... ..
H. R. Dixon... ..
John Eggett... ..
W. O. Ellwood... ..

A. E. Gibbons.. . . .	}	Operators.
Gilbert A. Gillies.. . . .		
James R. Haslett.. . . .		
H. S. Laughton.. . . .		
Benjamin Noble.. . . .		
Thomas L. Partridge.. . . .		
A. Pope.. . . .		
Rhame Brothers.. . . .		
Thomas Rich.. . . .		
William Skelly.. . . .		
Christopher Teale.. . . .		
Joseph Whittaker.. . . .		
Charles E. Williams.. . . .		
C. Russell Wright.. . . .		

and

Crane, Ltd..	}	Jobbers.
Charles Cole.. . . .		
Empire Brass Mfg. Co., Ltd.. . .		
C. F. Stevens.. . . .		
Frederick Mitchell.. . . .		

PORT ARTHUR AND FORT WILLIAM

Joseph Barnes.. . . .	}	Operators.
P. S. Burton.. . . .		
J. R. Carson.. . . .		
John J. Culliton.. . . .		
L. A. Greene.. . . .		
E. D. Higginbottom.. . . .		
John W. Looney.. . . .		
H. R. Sime.. . . .		
John Sime.. . . .		

and

John W. Marshall.. . . .	Jobber.
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WINDSOR

John P. Band.. . . .	}	Operators.
Robert Bannister.. . . .		
Albert J. Brian.. . . .		
Fred William Brown.. . . .		
F. W. Burford.. . . .		
John T. Collins.. . . .		
Arthur R. Cook.. . . .		
Harry E. DeHetre.. . . .		
Alfred Giroux.. . . .		
Clifford E. Greenan.. . . .		
David L. Hoover.. . . .		
Charles W. Jessop.. . . .		
Thomas Lajoie.. . . .		
E. J. L'Heureux.. . . .		
Paddon Co., Ltd.. . . .		
Charles E. Paddon.. . . .		

Albert W. Peck..	}
Louis Pinsonneault..	
Herbert Pragnell..	
B. E. Service..	
Frank J. Tansley..	
Albert T. Trott..	
Herbert Ward..	
Alexander White..	
George Wight..	}

and

Crane, Ltd..	}	Jobbers.
N. B. Hobbs..		
General Steel Wares, Ltd. . . .		
O. P. Hamlin Co., Ltd..		
O. P. Hamlin..		
G. G. McKeough, Ltd..		
Murray S. Stewart..		
J. T. Wing & Co., Ltd..		
John Stuart..	}	

and

John H. Hart..	}	Officers of Labour Union.
John W. Bruce..		

and

Walter M. Burnet..	}	Members of Windsor Sheet Metal Contractors' Local Section of A.B.C.
H. W. Cunningham..		
Frank Dayus..		
J. H. Huddleston..		
A. Lorne Laing..		
H. F. Leonard..		
John R. Lynn..		
John E. Murphy..		
Emil Parent..		
Joseph Shnay..		
George W. Wilkins..	}	

I find and report that W. F. O'Connor was a party or privy to or knowingly assisted in the formation or operation of this combine. He entered the employ of Singer on June 1, 1927, his name appearing in Singer's firm as early as that. Thereafter he was, Singer says, in daily conference with Singer as to the conduct of the Guild.

On June 1, 1927, O'Connor signed a considered opinion for Singer "as to how far trades or manufacturers may lawfully go by way of conference or arrangement with respect to action possibly in restraint of trade." In this memorandum O'Connor says:—

" . . . if the traders or manufacturers confine themselves to discussion, expression of opinion and ascertainment of common or majority opinion, and do not proceed to directly or indirectly agree to be or become bound to each other to maintain any certain course of action, it is lawful for them to simultaneously declare and jointly communicate the common opinion that they should not, e.g., trade with particular persons unless under particular circumstances. But each trader or manufacturer must, at the end, remain in fact master of his business, unbound and free to change his mind without (by agreement) being subject to penalty because of his change of mind. This is only saying again that the parties must not agree or arrange to maintain the conditions which they have individually approved."

(Exhibit 183, Evidence, pp. 3298—3299.)

This opinion became the chart of the Guild. It was further elaborated on August 5, 1927, in a memorandum to Louis M. Singer "as to the power of traders or manufacturers lawfully to enhance prices of their commodities". He said in the course of this memorandum:

"Any desired enhancement of price may be produced without agreement (and hence without risk of criminality) without contemplation of resort to the law for enforcement, and maintained for so long as it is to the interest of the parties to maintain it, if each of the parties will, as he lawfully may, without agreement, set his own price at a level fixed by him and the others follow suit each, individually, subjecting himself to such an inspecting and reporting agency as will thereafter by inspecting and reporting to all concerned insure that the price level is being maintained by all. Interest will then lead all to continue to adhere to the price independently fixed by each." (Exhibit 205, Evidence, p. 3407.)

O'Connor's pencilled report of the meeting of June 11, 1927, is Exhibit 177, entitled "The Golden Rule in Industry". By this the commissioner is put forward as the supreme arbiter. (See also O'Connor's report on the Toronto strike, Exhibit 48, Evidence, p. 516.)

Other memoranda in the writing of O'Connor, (Exhibit 335) outlining procedure of the Guild to the effect that jobbers and manufacturers wishing to join must send in their application for membership with cheque, and that then the Guild would send to the applicant a questionnaire as to the applicant's acceptance of the channels of trade. If the applicant failed in that respect, his cheque would be returned. That procedure was generally followed and brought the jobbers and manufacturers, who prior to that moment may have been acting individually, into an agreement to limit competition in contravention of the statute.

O'Connor addressed two conventions of the Guild. His address at the convention in January, 1928, is Exhibit 292. He assured the members that they proceeded legally, and he dealt at length with agreement and denounced the statute law.

I find and report that John W. Bruce and John H. Hart, officers of the labour union of plumbers and steamfitters, co-operated in the making of agreements of labour herein recited, with full knowledge of the uses to which these agreements were to be put. (Bruce's evidence, Bruce's statement in evidence, and Evidence, of Rankin, p. 5602, *et seq.*)

I find and report that Singer falsely represented to Holmsted, Clifton and others that the Guild had been and would be operated with the approval of the Department of Labour and the Registrar under the Combines Investigation Act.

I find and report that many operators entered the combine influenced by fear, but the officers and employees of the combine and of its so-called companies and unions were not led into the combine by fear.

I find and report that the jobbers and manufacturers hereinbefore mentioned joined the combine, some of them joining, in the early stages of the combine, as they thought the Canadian Plumbing and Heating Guild, and later with others passing to an alleged association with or membership in the D.C.C. They joined with knowledge of what the combine was about and with knowledge of its purposes to enhance prices, limit competition, boycott the jobbers and manufacturers and oppress the public. Almost without exception the jobbers and manufacturers have represented to me that they withdrew from the Guild upon discovery of the use of lists or upon discovery of the unlawful action of the combine.

I find and report, that, excepting the case of Page-Hersey Tubes, Limited, all the jobbers and manufacturers made application to Singer to become members and sent in their cheques and were then required to prove their eligibility for membership by signing acceptance of the sales policy of the operators and the combine, and did sign (with the said exception) such acceptance. And so, I report that, apart from their joining or withdrawing from the Guild, they became parties and privies to and knowingly assisted in the formation or operation of the said combine and continued to be privies and parties assisting after their alleged withdrawal.

In the course of the inquiry evidence was offered that some of the manufacturers were in combines of their own. There was evidence of at least two associations of pipe and lead trap manufacturers operating through the agency of a firm called Hardy & Badden of Toronto. This firm, Hardy & Badden, through its officers appearing before me, admitted the management of twenty-five of such associations of manufacturers and jobbers each having a membership of from six to ten. The witness, Fisher, of the Canadian Brass Manufacturing Company, Limited, of Galt, disclosed an association of manufacturers of brass goods having a membership of six, managed by an agent named S. J. Frame in the City of Toronto. This association became inactive, it is interesting to note, because one member, Mueller Limited, a branch of a United States firm, was timid about the anti-trust law, and a director of Mr. Fisher's company, who resides in New Jersey, was timid because he had been lately fined \$4,000 in Newark, N.J., under the anti-trust laws of that country.

A plumbers' council of some of the jobbers and manufacturers herein-before mentioned was formed and negotiated with Singer, who declared this council to be illegal.

My commission did not empower me to inquire so far into the actions of these associations of jobbers and manufacturers as to be able to say whether or not they are combines detrimental to the public. I learned, further, from the evidence of Mr. Holt Gurney and Mr. Leadbetter, that the Gurney Foundry Company, Limited, the Dominion Radiator and Boiler Company, Limited, and Taylor-Forbes Company, Limited, send out, from time to time, precisely the same price lists, and that that results, it is said, not from an agreement but from the convenience of these three firms. Mr. Gurney explained that the prices are set by the Dominion Radiator and Boiler Company, Limited, which puts its price so low that the other two cannot sell lower and, of course, they cannot sell higher and they are, therefore, reduced by compelling logic to accept the prices of the Dominion Radiator and Boiler Company, Limited. A similar practice, it was said in the evidence, existed among the enamelware manufacturers—I refer to the Port Hope Sanitary Manufacturing Company, Limited, and the Standard Sanitary Manufacturing Company, Limited—one of which names the prices from time to time and the other follows.

It is just to say, on behalf of the jobbers and manufacturers, that in the formation and operation of this combine, their position was extremely difficult. They were pursued, dogged and threatened by members of the Guild with boycott, if they disregarded the sales policy or channels of trade. They were boycotted, many of them; Anthes, who had been selected because of his integrity to be chairman of the jobbers and manufacturers, exposed himself to boycott, and he was boycotted in Windsor.

It is quite clear that any jobber or manufacturer who had resisted this combine and refused to sign acceptance of the sales policy would reasonably have regarded himself as in danger of great financial loss. He ought, of course, to have stood out; he ought to have gone to the Crown Attorneys and officers of the law higher up for protection, but it is not to be doubted that in taking such a course he would have reasonably anticipated possibly his ruin before the law brought him relief.

I find also and report that the registration of the A.B.C. was a sham and a fraud, that its true purposes shown clearly by the evidence were not those set out in the petition to the Secretary of State for registration, but were to enable the Guild to effect, in violation of the statutes, an unlawful oppression or "discipline" of the public and the persons engaged in the plumbing and heating trade, whether members or not members of the Guild. I advise, therefore, that the registration of the Amalgamated Builders' Council was null under Section 6 and ought to be so declared at once.

I advise also, and for similar reasons, that the registration of X.Y.Z., that is, the Toronto Plumbing and Heating Contractors' Union, is null and ought to

be so declared at once. It was undoubtedly a sham and a fraud. It was, with the amazing strike of May 1, 1929, and the negotiations arising out of that, a part of the activity of the Guild or combine. The purposes were not those set out in the registration, but the true purposes were to oppress unlawfully the public and the manufacturers, jobbers and operators of the plumbing and heating trade in and out of the Guild or combine. Registration was accomplished by what may be fairly called duress as well as by adventurous cunning. An intolerable power of oppression seems to have been acquired by the registration of a rule that this union may expel members for any reason. The operators have been forced in to obtain union labour and they may be forced out to limit competition.

Mr. Justice Duff of the Supreme Court of Canada has said that the Trade Unions Act, excepting at most Section 29, is probably invalid. If it were expedient, the Act might be repealed without injury to any vested interest. Speaking generally, labour in Canada, preferring to effect its purposes by its own methods, has never submitted to the Act. There have been, since 1872, a mere handful of registration. In Ontario, the law affecting the legality of labour unions not registering under the Trade Unions Act is what it was in England before 1871. That is, the agreements of such unions are illegal and unenforceable, because they are at common law in restraint of trade.

The Guild introduced into Canada what is known in the great cities of the United States as "racketeering." It used its own justification the language of the racketeers as reported in the United States, "cut-throat" competition, "co-operation," "insufficient prices," "inability to keep books or estimate costs, etc." The evidence that, in London and Windsor, non-members underbid the prices fixed by the Guild and took the work, read with the evidence of sabotage in Windsor, raised reasonably the fear that, in due time and under coarse and violent leaders, the Guild would use the bomb and the gun to eliminate competition.

I am unable to accede to the suggestion made during the investigation that I ought to offer constructive suggestions as to the relief of this trade from its difficulties. All that I can suggest is the assertion of the law. This combine would probably have failed had Singer not been able to appeal to the grievance of the operators in the matter of sales policy or the channels of trade. Where goods are distributed, as they are generally in this trade, without retailers, evils grow inevitably. To win the favour of operators, jobbers offer concessions of commissions and discounts. The operator develops the notion that although not carrying stock he is entitled to a retailer's profit in distribution. But the jobber and manufacturer seek to reserve the liberty to make here and there a good sale, especially to a builder or building contractor. In the end, distrust and ill-will prevail, and operators, jobbers and manufacturers become easily a prey to persons who exploit the passions and fears of the trade for their own profit. This condition Parliament has no power to remedy. The jobbers would afford relief if they could resolutely assume the role of retailers as well as jobbers.

Notwithstanding the disclosures in this investigation, it has just come to my attention, at the closing of the writing of my report, that the combine persists and that a serious strike of workmen may be called by the combine on January 1, 1930. I have, therefore, called Thomas Jordan, Secretary of the Toronto Society of Domestic Sanitary and Heating Engineers, and his evidence confirms the construction which I have put above on the constitution of the Toronto Plumbing and Heating Contractors' Union.

I acknowledge the assistance which you and your staff have afforded in the conduct of this investigation, as well as the services of Mr. F. W. Griffiths, K.C., as Counsel, and of the reporting staff, Messrs. Brydie and Featherston.

Yours faithfully,

(Signed) GORDON WALDRON,

Commissioner.

INTERIM REPORT ON LONDON SITUATION

TORONTO, ONT., October 31, 1929.

Hon. PETER HEENAN,
Minister of Labour,
Ottawa.

SIR,—I have the honour to inform you that I am bringing to a close the investigation ordered by Order in Council of the 19th of July, of this year, of an alleged combine in the plumbing trades.

I deem it advisable to make at this time an interim report with respect to certain frauds discovered in the city of London during the course of the investigation. These are, I submit, breaches of section 444 of the Criminal Code, as well as of the Combines Investigation Act. Section 444 of the Criminal Code provides that:—

“Everyone is guilty of an indictable offence and liable to seven years’ imprisonment who conspires with any person, by deceit or falsehood or other fraudulent means, to defraud the public or any person, ascertained or unascertained, or to affect the public market price of stocks, shares, merchandise, or anything else publicly sold, whether such deceit or falsehood or other fraudulent means would or would not amount to a false pretense as hereinbefore defined.”

I report, speaking generally, that a group of persons in London—members of the Canadian Plumbing and Heating Guild and of the Amalgamated Builders’ Council—practiced fraud upon the Corporation of the City of London, John Labatt, Limited, Doctor Septimus Thompson, and the Empire Brass Manufacturing Company, Limited, during 1927 and 1928, in the following manner:—

In the case of a call for tenders by any of these corporations or persons, the following persons:—

John Eggett,
Robert D. Paton (London manager of Bennett & Wright, Limited),
Charles R. Wright,
W. T. Allen,
James R. Haslett,
William Skelly,
James H. Bull,
Christopher Teale,
Benjamin Noble,
Thomas Rich,
Thomas L. Partridge, and
Albert E. Gibbons—

or some of them—would confer and conspire to defraud the Corporation, or persons asking for tenders, and having made the amount of the tender in the usual manner, by including the cost of material, labour, overhead and profit, each would add to his tender an amount agreed upon with the understanding that the successful tenderer would receive that sum in addition to the just amount of his tender from the person calling for tenders, and would then distribute it equally among those who were unsuccessful.

This sort of fraud was effected in the case of the owners above mentioned, as follows:—

In the case of Doctor Septimus Thompson, the sum of one hundred and fifty (\$150) dollars was fraudulently obtained from Thompson and distributed

by the successful tenderer (Bennett and Wright, Limited) among the following:—

John Eggett..	\$ 50
Wright & Teale..	50
Noble & Rich..	50

In the case of John Labatt, Limited, the sum of nine hundred (\$900) dollars was fraudulently obtained from Labatt's Limited, and distributed by the successful tenderer (Noble and Rich) among the following persons:—

John Eggett..	\$300
Bennett & Wright, Limited..	300
Thomas L. Partridge..	300

In the case of the City Hall job, as it is called, of the Corporation of the City of London, the sum of four thousand (\$4,000) dollars was fraudulently obtained from the City of London and distributed by the successful tenderer (Bennett and Wright, Limited) among the following persons:—

William Skelly..	\$1,000
Thomas L. Partridge..	1,000
Noble & Rich..	1,000
John Eggett..	1,000

Further, in the case of the Corporation of the City of London, on the Western Fair job, as it is called, the sum of five thousand (\$5,000) dollars was fraudulently obtained from the City of London by the successful tenderer (Bennett and Wright, Limited) and distributed among the following persons:—

A. E. Gibbons..	\$1,000
Thomas L. Partridge..	1,000
John Eggett..	1,000
Noble & Rich..	1,000
William Skelly..	1,000

Further, in the case of the Corporation of the City of London, on the Technical School job, as it is called, the sum of three thousand (\$3,000) dollars was fraudulently obtained by the successful tenderer (Bennett and Wright, Limited) and distributed among the following persons:—

Noble & Rich..	\$1,000
John Eggett..	1,000
Thomas L. Partridge..	1,000

In the case of the Empire Brass Manufacturing Company, Limited, the sum of Four Hundred and Fifty (\$450) Dollars was fraudulently obtained from the Empire Brass Manufacturing Company, Limited, by the successful tenderer (John Eggett) and distributed by him among the following persons:

W. T. Allen..	\$50
James H. Bull..	50
James R. Haslett..	50
Wright & Teale..	50
William Skelly..	50
Noble & Rich..	50
Thomas L. Partridge..	50
A. E. Gibbons..	50
Bennett & Wright, Limited..	50

The tenders on the above jobs were dated as follows:—

Doctor Thompson job, August, 1927.
 Western Fair job, July, 1927.
 City Hall job, July, 1927.

Technical School job, September, 1927.

Labatt's job, February, 1928.

Empire Brass job, Spring of 1928.

I find and report that the payments made by Bennett & Wright, Limited, in connection with these frauds, were made with the knowledge and approval of R. D. Paton, local manager in London of Bennett & Wright, Limited, having its head office in Toronto, and were approved by George Clapperton, Vice-President of Bennett & Wright, Limited, he having full knowledge of the fraud in each case. It was said by R. D. Paton that the sums fraudulently obtained by Bennett & Wright, Limited, in the cases mentioned, were distributed or concealed in the tenders made by Bennett & Wright, Limited, with the knowledge and assistance of one Clyde Clapperton, a young man a little above his majority, son of the said George Clapperton. The statement of Paton, Clyde Clapperton has denied on oath.

All the said parties, excepting Clyde Clapperton, appeared before me at the city of London and confessed, under oath, all the details of the said fraud. The said Clyde Clapperton appeared before me at Toronto, and, as I have said, denied his participation in the fraud.

It was alleged before me by some of the said parties, under oath at the city of London, that they had contrived these frauds and carried them out on the advice of Louis Michael Singer, Commissioner of the Canadian Plumbing & Heating Guild and of the Amalgamated Builders' Council and of the Dominion Chamber of Credits, Limited. The said Louis Michael Singer, under oath at the city of Toronto, denied before me that he had counselled these frauds but admitted that there was a grain of truth in the allegation made by the parties who accused him, which was, that he had counselled them that when tendering they were entitled to add to their tender the cost of tendering.

I find further and report that Christopher Teale was a partner of Charles R. Wright, above mentioned, and received a part of the moneys paid to Wright as aforesaid, and that Thomas Rich was a partner of Benjamin Noble, and received a part of the moneys received by Noble, and these two persons seem to be parties to those transactions.

Bennett & Wright, Limited, in carrying out these frauds, was in the habit of procuring from the beneficiaries of the fraud among whom they were to make division of the moneys fraudulently obtained, a false invoice to be made by the person receiving the money, in cash or by cheque, from Bennett & Wright, Limited, for distribution, said false invoice alleging materials supplied and work done for Bennett & Wright, Limited. These false invoices were attached to the cheques issued and became vouchers in the office of Bennett & Wright, Limited, for the payments made. The cheques and vouchers were received by me and marked as Exhibits 128, 131, 136, 137, 142 and 143, and are held by me, or under my direction pending the completion of the investigation for use as you may direct, or for use by the Attorney General of the Province of Ontario.

I transmit to you, under separate cover, Volumes 4 and 5 of the official stenographic report of the proceedings of the investigation, setting forth the development of the discovery of these frauds.

All of the parties herein named, excepting Clyde Clapperton and Louis Michael Singer, appeared before me at London represented by Counsel—Jared Vining—and asked for leniency, and the said Counsel promised that all the moneys hereinbefore mentioned would be repaid to the parties entitled thereto. I have since received a letter from the said Jared Vining notifying me that Doctor Septimus Thompson, John Labatt, Limited, the Empire Brass Manufacturing Company, Limited, and the Corporation of the City of London have been repaid in full the amounts above mentioned.

Upon the discovery of these frauds, His Lordship, Bishop Fallon, of the Roman Catholic Diocese of London, became justly suspicious of very large transactions which he had had prior to the formation of the Canadian Plumbing and Heating Guild, that is, in 1925 and 1926, fearing that Bennett & Wright, Limited, had in a similar manner defrauded him. One Rumball, the builder of an apartment house in London in 1927, entertained similar suspicion. The Women's Christian Association, constructing an hospital now about completed, also became suspicious fearing similar frauds.

I caused an accountant to make careful examination of the books and vouchers of Bennett & Wright, Limited, to learn if any fraud had been practised in these cases and I received under oath from the accounting firm convincing testimony that no evidence of such fraud in the cases of the Bishop of London, Mr. Rumball or the Women's Christian Association was found.

The parties above mentioned guilty of these frauds, other than the Clappertons and Singer, alleged under oath—or some of them did as the evidence shows—that they had never carried on these fraudulent practices prior to the formation of the Canadian Plumbing & Heating Guild in June, 1927, and that they had acted in these frauds on the advice of the said Singer; and they said—or some of them said—that they desisted from these fraudulent practices in the year 1928 because they were advised by the said Singer that he had found a better way, that is, by the creation of the Amalgamated Builders' Council, under which he claimed to have the right by virtue of the Trade Unions Act of 1872 to do anything which was in the nature of restraint of trade.

I make this interim report in order that you may transmit the same, if so advised, to the Attorney-General of the Province of Ontario for his consideration and action.

I prepare my report upon the matters disclosed in the investigation under the Combines Investigation Act and I hope to send it to you, with the evidence and exhibits as soon as possible after the final hearing next week.

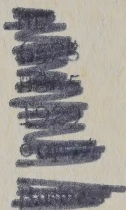
I have the honour to be, sir,

Your obedient servant,

(Signed) GORDON WALDRON,
Commissioner.

HB. 27.5.68.

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